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Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR
FROM : D. M. LADD
SUBJECT: CENTRAL INTELLIGENCE GROUP-
COVERAGE IN LATIN AMERICA

INT 647/1

DATE: JULY 22, 1946

149

As of possible use in any future discussions in connection with the taking over of intelligence coverage in Latin America by the Central Intelligence Group, there are set forth below the contents of our letters to General Vandenberg and his reply in this matter.

Bureau's Original Letter to Vandenberg dated June 25, 1946

"Reference is made to the memorandum by the Director of Central Intelligence dated June 20, 1946, entitled, 'Functions of the Director of Central Intelligence.' To this memorandum was attached a proposed Directive for the National Intelligence Authority detailing certain additional functions for the Director of Central Intelligence, including undertaking basic research and analysis, conducting all federal foreign espionage and counterespionage, and the conducting of federal monitoring of press and propaganda broadcasts of foreign powers.

"I desire to indicate my approval of this Directive with the exception that the following changes be made in it. These changes are suggested for clarification purposes only.

"I suggest that Section 3 should read: "In addition to the functions specified in Paragraph 3b of the President's letter, the Director of Central Intelligence is hereby directed to act as the executive agent of this Authority in coordinating and supervising all federal intelligence activities performed outside the United States and its possessions relating to the national security in accordance with the overall policies and objectives established by this Authority.

"It is suggested that Sub A under Section 4 should read: "Conduct all federal espionage and counterespionage operations outside the United States and its possessions for the collection of foreign intelligence information required for the national security.

"It is noted in the 'Discussion' which is carried as Appendix 'B' to the suggested Directive that the statement is made concerning the need for one agency to handle world-wide coverage that, 'This does not, of course, preclude the use of specialized departmental personnel under rigid central control.' It occurs to me that this statement is probably based upon an erroneous interpretation of the President's letter of January 22, 1946. It is my understanding from a reading of this Directive

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UNCLASSIFIED

140

UNCLASSIFIED

INT 647/2

Memorandum for the Director

"that authority is given to the National Intelligence Authority to call upon the State, War, and Navy Departments to assign from time to time persons and facilities of their respective departments to work under the direction of the Director of Central Intelligence. As for other departments and agencies, the Directive merely calls for the furnishing by those agencies of 'such intelligence information relating to the national security as is in their possession.

"If this Directive is approved, it would appear to me that there would be no reason why the Federal Bureau of Investigation should not withdraw as rapidly as possible from Central and South America. I would appreciate it very much if you would advise me as to whether or not you concur with this interpretation by me."

Bureau's letter to Vandenberg dated July 2, 1946

"Reference is made to your memorandum dated June 29, 1946, prepared by you for the National Intelligence Authority reflecting the approval of the Intelligence Advisory Board for a NIA Directive extending the functions of the Director of Central Intelligence. I have examined the proposed NIA Directive which was attached to your memorandum of June 29, and I desire to indicate my approval. As reflected in my letter of June 25, 1946, I should again like to point out, however, that the statement contained in the Discussion which was attached to your memorandum of June 29, 1946, on the matter to the effect that 'This does not, of course, preclude the use of specialized departmental personnel under rigid control,' is probably based on an erroneous impression of the President's letter of January 22, 1946. It is my understanding that the National Intelligence Authority is being given authority in the Directive to call upon the State, War, and Navy Department to assign from time to time, persons and facilities of their respective departments to work under the direction of the Director of Central Intelligence.

"As stated in my previous letter, if this Directive is approved, it would appear to me there would be no reason why the Federal Bureau of Investigation should not withdraw as rapidly as possible from Central and South America. I would appreciate your advice in the matter."

General Vandenberg's Reply of July 3

"I deeply appreciate your cooperation in expressing approval of my proposed N.I.A. Directive in your letter of 2 July.

"With reference to your comments on the statement contained in the Discussion to N.I.A. 4, you will note that it was amended to read as follows:

- 2 -

UNCLASSIFIED

1091

UNCLASSIFIED

INT 647/3

Memorandum for the Director

"This does not, of course, preclude the use of specialized departmental personnel under rigid central control, as mutually agreed to by the Director of Central Intelligence and authorized departmental officials."

"This amended version was intended to clarify the meaning of the sentence in view of the point which you raised in your letter of 25 June. It is my intention to employ in the operation in question the best qualified personnel from all possible sources. It is therefore entirely conceivable that I would like to use on specific missions specially qualified personnel of Government departments other than State, War and Navy. I realize, however, that any such arrangement would have to be agreed to by the responsible officials of those departments, as indicated in the above amended sentence. I hope that this amendment clarified the meaning to your satisfaction.

"With reference to the second paragraph of your letter of 2 July, I am very pleased to concur in your offer to withdraw from Central and South America provided you are willing to postpone withdrawal until the Central Intelligence Group is adequately organized and staffed so that we may arrange an orderly transfer with a minimum of interruption. As evidenced by N.I.A. support for your 1947 budget for this activity, it is anticipated that this will involve continued coverage of that area by you for the better part of that fiscal year. With your cooperation to this extent, I am sure that we can work out an orderly transition. I also hope to discuss with you at some later date the possibility of my utilizing the services of some of your experienced personnel."

Bureau's Letter to Vandenberg in response to his reply dated July 8, 1946

"I am in receipt of your letter of July 3, 1946, concerning the proposed NIA Directive Number 4, which related to, among other things, the empowering of CIG to set up a field operational force for the purpose of effectuating world-wide secret intelligence coverage. I have noted your comment regarding discussing with me the possibility of your utilizing the services of some of the FBI experienced personnel. Although I am, of course, most anxious to cooperate with you to the fullest possible extent, I regret to advise you that due to the responsibilities and duties of the Bureau in the field of law enforcement and the commitments made for the Bureau's personnel, which personnel incidentally has been cut considerably since the war, I will not be able to assign personnel to you. I wanted to advise you of this fact promptly in order that you will not depend upon me or expect this Bureau to make personnel available to you.

- 3 -

UNCLASSIFIED

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UNCLASSIFIED

INT 647/4

Memorandum for the Director

"Concerning your reference to the support of the NIA for the Bureau's 1946 budget requirements for its Central and South American operations, I wish to observe that these funds were sought prior to the time that any plans had been made to establish an Operations Unit under the National Intelligence Authority. If I had known that the National Intelligence Authority contemplated the establishing at this time of an Operations Unit for the purpose of maintaining secret intelligence coverage, I would not have planned to have the Bureau remain active in this field in the Western Hemisphere.

"In the light of your acquiescence to the Bureau's withdrawing from Central and South America, I believe it would be well to work out immediately an acceptable program which will permit a transfer of the responsibilities for intelligence coverage in the Central and South American countries on an orderly basis. If you will furnish to me a general outline of the program which you intend to follow in taking over the intelligence responsibilities in the Central and South American countries, I will prepare an appropriate schedule for the discontinuance of the Bureau's activities on a parallel basis in order that there will be no conflict of interest or duplication of coverage."

VPK:srl

- 4 -

UNCLASSIFIED

693